

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** CAMILLE CHRISTEN  
DEPUTY ATTORNEY GENERAL

**DATE:** SEPTEMBER 30, 2016

**SUBJECT:** APPLICATION OF ROCKY MOUNTAIN POWER TO UPDATE BASE  
NET POWER COSTS AND IMPLEMENT A RATE STABILITY PLAN,  
CASE NO. PAC-E-16-12

On September 1, 2016, PacifiCorp dba Rocky Mountain Power filed an Application requesting Commission authorization to adjust the level of net power costs (NPC) included in base rates and set a new level of base NPC to be tracked in the Energy Cost Adjustment Mechanism (ECAM). Application at 1. The Company also asks the Commission for an Order approving a new level of base retail load and authorizing the Company to adjust the Load Change Adjustment Rate (LCAR), Production Tax Credit (PTC) and Renewable Energy Credit (REC) rates. *Id.* at 7; Wilding Direct at 4.

The Company's Application, if approved, would *decrease* rates by an average of approximately 0.4 percent. The Company asks that the Commission authorize this matter to be processed by Modified Procedure and approve the new base NPC, new base retail load, and the new LCAR, PTC and REC rates. As an alternative to updating rates, the Company proposes a Rate Stability Plan, under which rates would remain unchanged. Application at 2. With this Plan, instead of reducing rates, the Company would track the incremental revenue collection due its decreased NPC and "utilize the incremental revenue collection to net against the Commission approved depreciation deferral." *Id.* (citing Order No. 32910). The Company asks that the Commission issue an Order approving the Application by December 15, 2016, with an effective date of January 1, 2017. *Id.* at 7. With its Application, the Company attached the Direct Testimonies of Ted Weston and Michael Wilding, the proposed updated tariff sheets, and

supporting workpapers for the proposed tariff sheets, including the proposed impacts by rate schedule.

On September 13, 2016, the Commission issued an Order providing notice of the Application, setting a deadline for interventions, and directing the Parties to confer about a proposed schedule and report their proposal to the Commission. Order No. 33597. PacifiCorp Idaho Industrial Customers; Monsanto Company; and Idaho Irrigation Pumpers Association, Inc. timely filed Petitions to Intervene, which the Commission granted. Order Nos. 33599, 33600, and 33601.

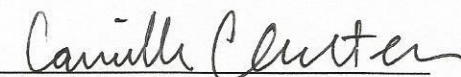
The Parties conferred informally and agreed that the Company's Application be processed by Modified Procedure, with comments due on November 17, 2016, and reply comments, if any, due November 30, 2016. The Parties also agreed to meet to discuss negotiated solutions on October 19, 2016.

#### **STAFF RECOMMENDATION**

Staff recommends that the Commission issue an Order directing that this Application be processed by Modified Procedure, with comments due on November 17, 2016, and reply comments, if any, due November 30, 2016, and stating that the Parties plan to meet to discuss negotiated solutions on October 19, 2016.

#### **COMMISSION DECISION**

Does the Commission wish to issue an Order directing that this Application be processed by Modified Procedure, with comments due on November 17, 2016, and reply comments, if any, due November 30, 2016, and stating that the Parties plan to meet to discuss negotiated solutions on October 19, 2016?

  
Camille Christen  
Deputy Attorney General

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